

House File 2389 - Introduced

HOUSE FILE 2389
BY COMMITTEE ON HUMAN
RESOURCES

(SUCCESSOR TO HSB 595)

A BILL FOR

1 An Act establishing a rural Iowa primary care loan repayment
2 program to be administered by the college student aid
3 commission, a rural Iowa primary care trust fund, and making
4 appropriations.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 261.115 Rural Iowa primary care
2 loan repayment program — fund — appropriations.

3 1. *Program established.* A rural Iowa primary care loan
4 repayment program is established to be administered by the
5 college student aid commission for purposes of providing loan
6 repayments for medical students who agree to practice as
7 physicians in service commitment areas for five years and meet
8 the requirements of this section.

9 2. *Eligibility.* An individual is eligible to apply to enter
10 into a program agreement with the commission if the individual
11 is enrolled full-time in and receives a recommendation
12 from the state university of Iowa college of medicine or
13 Des Moines university — osteopathic medical center in a
14 curriculum leading to a doctor of medicine degree or a doctor
15 of osteopathy degree.

16 3. *Program agreements.* A program agreement shall be
17 entered into by an eligible student and the commission when
18 the eligible student begins the curriculum leading to a doctor
19 of medicine or osteopathy degree. Under the agreement, to
20 receive loan repayments pursuant to subsection 5, an eligible
21 student shall agree to and shall fulfill all of the following
22 requirements:

23 *a.* Receive a doctor of medicine or osteopathy degree from
24 an eligible university and apply for, enter, and complete a
25 residency program approved by the commission.

26 *b.* Apply for and obtain a license to practice medicine and
27 surgery or osteopathic medicine and surgery in this state.

28 *c.* Complete their residency program requirement with an
29 Iowa-based residency program.

30 *d.* Within nine months of graduating from their residency
31 program and receiving a permanent license in accordance with
32 paragraph "b", engage in the full-time practice of medicine
33 and surgery or osteopathic medicine and surgery specializing
34 in family medicine, pediatrics, psychiatry, internal medicine,
35 or general surgery for a period of sixty consecutive months

1 in the service commitment area specified under subsection 6,
2 unless the loan repayment recipient receives a waiver from the
3 commission to complete the months of practice required under
4 the agreement in another service commitment area pursuant to
5 subsection 6.

6 4. *Priority to Iowa residents.* The commission shall give
7 priority to eligible students who are residents of Iowa upon
8 enrolling in the university.

9 5. *Loan repayment amounts.*

10 a. The amount of loan repayment an eligible student who
11 enters into an agreement pursuant to subsection 3 shall receive
12 upon fulfilling the requirements of subsection 3 shall be not
13 more than fifty thousand dollars annually for an eligible loan.

14 b. The commission shall not enter into more than twenty
15 program agreements annually. Fifty percent of the agreements
16 shall be entered into by students attending each university
17 described in subsection 2. However, if there are fewer than
18 ten eligible student applicants at one university, eligible
19 student applicants enrolled in the other university may be
20 awarded the remaining agreements.

21 6. *Selection of service commitment area.* A loan repayment
22 recipient shall notify the commission of the recipient's
23 service commitment area prior to beginning practice in the area
24 in accordance with subsection 3, paragraph "d". The commission
25 may waive the requirement that the loan repayment recipient
26 practice in the same service commitment area for all sixty
27 months.

28 7. *Rules for additional loan repayment.* The commission
29 shall adopt rules to provide, in addition to loan repayment
30 provided to eligible students pursuant to this section and
31 subject to the availability of surplus funds, loan repayment
32 to a physician who received a doctor of medicine or osteopathy
33 degree from an eligible university as provided in subsection
34 2, obtained a license to practice medicine and surgery or
35 osteopathic medicine and surgery in this state, completed the

1 physician's residency program requirement with an Iowa-based
2 residency program, and is engaged in the full-time practice of
3 medicine and surgery or osteopathic medicine and surgery as
4 specified in subsection 3, paragraph "d".

5 8. *Part-time practice — agreement amended.* A person who
6 entered an agreement pursuant to subsection 3 may apply to the
7 commission to amend the agreement to allow the person to engage
8 in less than the full-time practice specified in the agreement
9 and under subsection 3, paragraph "d". If the commission
10 determines exceptional circumstances exist, the commission and
11 the person may consent to amend the agreement under which the
12 person shall engage in less than full-time practice of medicine
13 and surgery or osteopathic medicine and surgery specializing in
14 family medicine, pediatrics, psychiatry, internal medicine, or
15 general surgery in a service commitment area for an extended
16 period of part-time practice determined by the commission to
17 be proportional to the amount of full-time practice remaining
18 under the original agreement.

19 9. *Postponement and satisfaction of service obligation.*

20 a. The obligation to engage in practice in accordance with
21 subsection 3 shall be postponed for the following purposes:

22 (1) Active duty status in the armed forces, the armed forces
23 military reserve, or the national guard.

24 (2) Service in volunteers in service to America.

25 (3) Service in the federal peace corps.

26 (4) A period of service commitment to the United States
27 public health service commissioned corps.

28 (5) A period of religious missionary work conducted by an
29 organization exempt from federal income taxation pursuant to
30 section 501(c)(3) of the Internal Revenue Code.

31 (6) Any period of temporary medical incapacity during which
32 the person obligated is unable, due to a medical condition, to
33 engage in full-time practice as required under subsection 3,
34 paragraph "d".

35 b. Except for a postponement under paragraph "a",

1 subparagraph (6), an obligation to engage in practice under an
2 agreement pursuant to subsection 3, shall not be postponed for
3 more than two years from the time the full-time practice was to
4 have commenced under the agreement.

5 c. An obligation to engage in full-time practice under
6 an agreement entered into pursuant to subsection 3 shall be
7 considered satisfied when any of the following conditions are
8 met:

9 (1) The terms of the agreement are completed.

10 (2) The person who entered into the agreement dies.

11 (3) The person who entered into the agreement, due to
12 a permanent disability, is unable to practice medicine and
13 surgery or osteopathic medicine and surgery.

14 10. *Trust fund established.*

15 a. A rural Iowa primary care trust fund is created in the
16 state treasury as a separate fund under the control of the
17 commission. The commission shall remit all repayments made
18 pursuant to this section to the rural Iowa primary care trust
19 fund. All moneys deposited or paid into the trust fund are
20 appropriated and made available to the commission to be used
21 for meeting the requirements of this section. Notwithstanding
22 section 8.33, any balance in the fund on June 30 of each fiscal
23 year shall not revert to the general fund of the state, but
24 shall be available for purposes of this section in subsequent
25 fiscal years.

26 b. There is appropriated from the general fund of the
27 state to the rural Iowa primary care trust fund, the following
28 amounts for the following designated fiscal years for purposes
29 of the rural Iowa primary care loan repayment program:

30 (1) For the fiscal year beginning July 1, 2012, and ending
31 June 30, 2013, the sum of one million dollars.

32 (2) For the fiscal year beginning July 1, 2013, and ending
33 June 30, 2014, the sum of two million dollars.

34 (3) For the fiscal year beginning July 1, 2014, and ending
35 June 30, 2015, the sum of three million dollars.

1 (4) For the fiscal year beginning July 1, 2015, and each
2 fiscal year thereafter, the sum of four million dollars.

3 11. *Definitions.* For purposes of this section:

4 a. "*Eligible loan*" means the physician's total federally
5 guaranteed Stafford loan amount under the federal family
6 education loan program or the federal direct loan program,
7 including principal and interest.
8 b. "*Eligible university*" means either the state university
9 of Iowa college of medicine or Des Moines university —
10 osteopathic medical center.

11 c. "*Service commitment area*" means a city in Iowa with a
12 population of less than twenty thousand that is located more
13 than twenty miles from a city with a population of fifty
14 thousand or more and which provides a twenty thousand dollar
15 contribution for deposit in the rural Iowa primary care trust
16 fund for each physician in the community who is participating
17 in the loan repayment program.

18 EXPLANATION

19 This bill establishes a rural Iowa primary care loan
20 repayment program to be administered by the college student
21 aid commission for purposes of providing loan repayment to
22 medical students who agree to practice as physicians in service
23 commitment areas for five years, establishes a rural Iowa
24 primary care trust fund, and appropriates moneys to the fund
25 from the general fund of the state in escalating amounts of \$1
26 million, \$2 million, \$3 million, and \$4 million for each fiscal
27 year in the fiscal period beginning in FY 2012-2013 and ending
28 in FY 2015-2016, and appropriating \$4 million to the fund for
29 each fiscal year thereafter.

30 An individual is eligible to apply to the commission to
31 enter into a program agreement with the commission if the
32 individual is enrolled in the university of Iowa college of
33 medicine or Des Moines university — osteopathic medical center
34 in a curriculum leading to a doctor of medicine or osteopathy
35 degree.

1 Under the agreement, the eligible student will receive
2 up to \$50,000 of loan repayment for an eligible loan if the
3 eligible student receives a doctor of medicine or osteopathy
4 degree; applies for, enters, and completes a residency program
5 approved by the commission; applies for and obtains a license
6 to practice medicine and surgery or osteopathic medicine and
7 surgery in this state; and, within nine months of receiving
8 a license, engages in the full-time practice of medicine
9 and surgery, specializing in family medicine, pediatrics,
10 psychiatry, internal medicine, or general surgery for 60
11 consecutive months in the service commitment area, unless the
12 loan repayment recipient receives a waiver from the commission
13 to complete the months of practice required under the agreement
14 in another service commitment area.

15 A service commitment area is defined to mean a city in Iowa
16 with a population of less than 20,000 that is located more than
17 20 miles from a city with a population of 50,000 or more and
18 which provides a \$20,000 contribution for deposit in the fund
19 for each physician in the community who is participating in the
20 program.

21 The bill defines "eligible loan" to mean a federally
22 guaranteed Stafford loan.

23 The commission shall give priority to eligible students who
24 are residents of Iowa upon enrolling in the university.

25 Not more than 20 program agreements may be entered into
26 annually. Fifty percent of the agreements shall be entered
27 into with students attending each university, though if
28 there are fewer than 10 eligible student applicants at one
29 university, eligible student applicants enrolled in the other
30 university may be awarded the remaining agreements.

31 A person may apply to the commission to amend the agreement
32 to allow the person to engage in less than full-time practice.
33 If the commission determines exceptional circumstances
34 exist, the commission and the person may consent to amend
35 the agreement to provide for an extended period of part-time

1 practice determined by the commission to be proportional to
2 the amount of full-time practice remaining under the original
3 agreement.

4 The obligation shall be considered satisfied when the terms
5 of the agreement are completed, the person dies, or the person,
6 due to a permanent disability, is unable to practice medicine
7 and surgery.

8 The bill directs the commission to adopt rules to provide,
9 subject to the availability of surplus funds, loan repayment
10 to a physician who did not enter into an agreement as a medical
11 student but who meets the other relevant requirements of the
12 program.